



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"Enriching Lives"

JAMES A. NOYES, Director

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February 25, 2004

IN REPLY PLEASE

REFER TO FILE: **FI-4**

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

ASSIGNMENT OF BEARINGPOINT, INC., AGREEMENT TO TIER TECHNOLOGIES, INC.

On August 12, 1997, your Board approved the implementation of an integrated financial accounting system (FAS) for the Department of Public Works. A Subcontracting Agreement was also approved by your Board on June 18, 2002, which allows the assignment of this contract from BearingPoint, Inc. (previously KPMG Consulting), to Tier Technologies, Inc. (Tier), one year after final acceptance of the system. Final acceptance was approved by your Board on October 6, 2002. The Subcontracting Agreement delegates approval authority for the assignment to the Director of Public Works and requires that prior to consenting to the assignment, the Director provide a report to your Board addressing the status of the project and Tier's performance.

FAS is a very stable system that has met our operating requirements and is performing according to contract specifications. In addition, it has been subjected to external and internal audits for the past four fiscal years and has been found to be acceptable to the County's Auditor-Controller and State/Federal auditors. Tier has performed satisfactorily during the 16 months of subcontracting since final acceptance and Tier staff has been responsive to system problems, work requests, and required maintenance. Based on this performance, I believe that Tier is capable from a technical, service, and financial perspective of fulfilling all of the obligations under the Agreement through its term. The Chief Information Office has reviewed this determination and concurs. At this point, my intention is to approve the assignment of the FAS Agreement to Tier in March 2004.

If you have any questions, please contact Charles W. Adams at (626) 458-4006.

DD:rm

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cc: BearingPoint, Inc.
Chief Administrative Office
Chief Information Office
County Counsel
Executive Office
Tier Technologies, Inc.